

Message Text

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51

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 COME-00 JUSE-00 L-03 CIAE-00

INR-10 NSAE-00 RSC-01 DRC-01 /038 W

----- 067285

R 280310Z FEB 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 0256

UNCLAS TOKYO 2632

E.O. 11652: N/A

TAGS: ETRD, US, JA

SUBJECT: ANTITRUST INVESTIGATION: GRAPHITE ELECTRODES

REF: (A) TOKYO 16685; (B) STATE 10720; (C) TOKYO 1919

1. SUMMARY. FOLLOWING IS CHRONOLOGY OF U.S. AND THIRD COUNTRY APPROACHES TOWARD AND RESPONSES BY GOJ RE EXPORT GRAPHITE ELECTRODES AS MENTIONED REFTEL C. END SUMMARY.

2. AS REQUESTED REFTEL B, FOLLOWING IS EMBASSY TRANSLATION OF WRITTEN EXPLANATION OF ACTIONS TAKEN BY GOJ (MENTIONED MITI LETTER TRANSMITTED REFTEL A) AS RESULT OF U.S. AND THIRD COUNTRY COMPLAINTS RE EXPORT GRAPHITE ELECTRODES. EXPLANATION PROVIDED BY JAPAN ELECTRODE EXPORT PROMOTION CO., LTD. (JEEP) THROUGH INO, CERAMICS AND CONSTRUCTION MATERIALS DIVISION, MITI.

3. REGARDING "PROTESTS FROM VARIUS COUNTRIES THROUGH DIPLOMATIC CHANNELS" (PARAGRAPH 3A REFTEL A), QUOTE: IN 1962, JAPANESE ELECTRODE MAKERS COMPETED WITH EACH OTHER IN VARIOUS FOREIGN COUNTRIES IN TERMS OF PRICE, AND THIS RESULTED IN MARKET CONFUSION IN THOSE COUNTRIES. JAPANESE EMBASSIES IN EC COUNTRIES SENT OFFICIAL MESSAGES TO TOKYO AND URGED THAT AN APPROPRIATE ACTION BE PROMPTLY TAKEN BY THE JAPANESE GOVERNMENT BECAUSE IT WAS BELIEVED THAT THE SITUATION, IF LEFT ALONE, WOULD BREED ANTIPATHY AMONG THE GOVERNMENTS OF THOSE COUNTRIES AND THAT JAPAN'S ELECTRODES WOULD FACE SOME MEASURES SHORT OF STOPPAGE OF IMPORTS IN THOSE COUNTRIES. THE INDUSTRY, THEREFORE, ESTABLISHED A "UNIFICATION-
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OF-OFFERS" PROVISION STARTING WITH THE 1963 CARTEL AGREEMENT.

UNQUOTE.

4. "AT THE REQUEST OF THE UNITED STATES GOVERNMENT")(PARAGRAPH 3C REFTEL A) REFES TO, QUOTE: THE U.S. REQUEST FOR JAPAN'S RESTRAINT ON ITS EXPORTS TO THE U.S., WHICH WAS EXPRESSED AT THE U.S.-JAPAN TRADE TALKS HELD AT GOVERNMENT LEVEL AND AT PRIVATE LEVEL AMONG BUSINESS LEADERS SUBSEQUENT TO THE NIXON ANNOUNCEMENT OF AUGUST, 1971. UNQUOTE.

5. REGARDING THE EXERCISE OF "STRONG ADMINISTRATIVE GUIDANCE FOR THE PURPOSE OF CURBING EXPORTS," QUOTE: EARLY IN APRIL, 1972, UNDER THE AUSPICES OF THE CHEMICAL INDUSTRY BUREAU AND THE INTERNATIONAL TRADE BUREAU, MITI, EXPORTERS AND INDUSTRIAL ASSOCIATION REPRESENTATIVES WERE REQUESTED TO ATTEND A MEETING AT THE JAPAN CHEMICAL INDUSTRY ASSOCIATION. AT THE MEETING, DIRECTORS OF THE CHEMICAL INDUSTRY POLICY DIVISION, MITI, AND THE CUSTOMS AFFAIRS DIVISION, MITI, EXPLAINED THE GOJ'S VIEWS ON FUTURE EXPORTS TO THE U.S. IN PARTICULAR, DETAILED EXPLANATIONS WERE GIVEN REGARDING U.S. ANTI-DUMPING CHARGES. LATTER, THE CHEMICAL INDUSTRY BUREAU PREPARED A LISTING OF PRODUCTS WHOSE EXPORTS TO THE U.S. SHOWED AN OUTSTANDINGLY HIGH RATE OF GROWTH AND THE INDUSTRY WAS INFORMED THAT GRAPHITE ELECTRODES WAS ONE OF THE LISTED PRODUCTS. THE THEN CHEMICAL INDUSTRY EXPORT SECTION OF MITI WARNED THE INDUSTRY THAT CARE SHOULD BE TAKEN IN CARRYING OUT EXPORTS TO THE U.S. UNQUOTE.
SHOESMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, ACCOUNTING, GRAPHITE, ELECTRONICS INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 28 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TOKYO02632
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974021/aaaaaarf.tel
Line Count: 87
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: (A) TOKYO 16685; (B) STATE 10720; (C,) TOKYO 1919
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 06 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 MAR 2002 by elbezejf>; APPROVED <04 DEC 2002 by WorrelSW>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ANTITRUST INVESTIGATION: GRAPHITE ELECTRODES
TAGS: ETRD, US, JA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005